



NOTES FROM THE:

Deputy Assistant Secretary, Budget

by Major General George T. Stringer

Financial Information Resource SysTem (FIRST). The FIRST software development (only) is on hold for FY99. The FY99 Appropriation action deleted funds for FIRST software development. The Air Force had budgeted for FIRST development in FY99 and planned task orders to improve access to execution data at base and MAJCOM levels. Additionally, we planned a modernized funds management/funds release capability at all levels. We are currently reviewing options to include an evaluation of the impact of a delay to legacy budget systems.

Budget and Accounting Classification Code (BACC). In the past few months, we have made progress toward producing the BACC. BACC is the means to record all financial transactions within all Departments using a standard budget and accounting classification structure. The BACC structure is composed of major fields, each having related data elements and characters. This structure provides the opportunity and avenue to establish global edits for use throughout the Air Force and other DoD departments with the ability to include general ledger pro forma postings at the time transactions are recorded in the accounting system. BACC is the framework or common language for interrelating planning, programming, budgeting, execution, and accounting functions. The BACC task group members recently presented OSD with a game plan to realign the Military Pay budget activities. This structure would allow for Basic Pay & Allowances to be in BA01 and all PCS and TDY travel pay and other entitlements in BA02. The advantage of these changes would be a process that will allow POM and budget pay calculations to be derived from subcomponent data. Travel entitlements can be calculated based on approved training programs, personnel strengths by category of trainee, and cost data. Military Pay will map to the FYDP through end-strengths spread by category and the average annual cost factor for each category. At this time, the task members are waiting for a decision from OSD.

Meanwhile, the Program Manager (DFAS-HQ) for BACC has addressed the issue of bringing the primary and alternate BACC members together for a conference to do a complete "walk-through" on the BACC matrix. This conference should be in January 1999.

Next, we'll be gathering and analyzing the B&C fields for Military Construction, Family Housing, O&M, and Working Capital Fund to populate a database to reflect/clarify BACC data. This information will match Air Force

and other Services' data against the BACC data structure matrix.

FY99 Appropriations. FY99 Air Force funding including the Defense, MILCON, and Supplemental appropriations totals \$77.4B. When we consider adjustments such as transfer, foreign currency, fuel prices, and inflation, Air Force buying power has increased about \$1.1B, about \$600M was directed toward the Air Force's highest priority shortfalls. Specifically, Congress added over \$300M for spares and depot maintenance plus another \$300M for MILCON projects programmed in the FYDP. Increases of about \$200M were directed toward RPM, BOS, and Recruiting. Other items funded in the FY99 Emergency Supplemental include construction projects and Family Housing O&M to help repair storm damage caused by Hurricane Georges at Keesler, Eglin, Hurlburt, as well as, Gulfport ANGB. Finally, there are resources in the emergency supplemental, such as the \$1.1B appropriated to DoD for Y2K shortfalls, which will ultimately be transferred to the Services and other DoD agencies, but these allocations are not yet determined.

Working Capital Fund (WCF) Initiatives. SAF/FMBM hosted a combination WCF brainstorming and idea summit on 27 Oct 98, drawing on selected managers from a variety of levels who have daily WCF management responsibilities. The purpose was to capitalize on the experience of knowledgeable people, surface ideas about what needs to be done to improve WCF operations, and coordinate existing efforts across a variety of functional areas. The group produced an outline of long-term and short-term initiatives to improve WCF operations based on these general principles: contribute to readiness and sustainment; simplify WCF process; develop more accurate inventory accounting; consider redefining SMAG business as repair rather than sales; develop alternative pricing on marginal cost basis; establish a clearing-house to deconflict the many IPT improvement efforts. OPRs and timelines are now being added to the list of ideas produced by the group. Follow-on meetings are in the works for a stand-alone session on information systems, comparing and tracking progress, and a special look at inventory accounting. The group will meet early next year to evaluate and draft a two-phase plan for changing inventory accounting and basing SMAG prices on repair costs—this is, SMAG would no longer sell or account for inventory as it does today. Tasking for this requirement emerged from a 10 Nov 98 meeting between SAF/FM, AFMC/CC, and DFAS and could result in far-reaching changes in WCF operations.